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REPORT

Mt. Hermon School
Varnado Elementary School
Varnado High School

WASHINGTON PARISH
Franklinton, Louisiana

AGREED-UPON PROCEDURES REPORT
For the Year Ended
June 30, 2000

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the press and other appropriate public officials. The report is available for public inspection at the State House Office of the Legislative Council and, where appropriate, at the office of the parish clerk of court.

Release Date 1-31-01

MT. HERMON SCHOOL
VARNADO ELEMENTARY SCHOOL

Burton and Alingo

CERTIFIED PUBLIC ACCOUNTANTS

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**WASHINGTON PARISH SCHOOL BOARD
INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Washington Parish School Board
Franklin, LA

We have performed the procedures listed below, which were agreed upon by the Washington Parish School Board and Superintendent. These procedures were performed solely to assist the school board office with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory at two parish schools, Mt. Hermon School and Varnado Elementary School. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We examined the records for each of the schools' activity accounts. Three months of bank reconciliations were tested for completeness and mathematical accuracy. Disbursements were tested for proper use of requisitions, purchase orders and supporting documentation in relation to the school board policies and procedures. We tested bank deposits against receipts for propriety, traced deposits to the bank statement for timeliness of deposit and traced them to the activity account ledger to verify proper recording. We calculated gross profit percentages on concession operations, verified ticket reconciliation forms were utilized for gate receipts and performed reasonableness test on other receipt categories, where applicable. We tested inventory records to determine the physical existence of property as listed on the school's property inventory report and to determine that property at the school was included on the inventory list. We also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list.

MT. HERMON SCHOOL

Bank Reconciliation - Each month tested was mathematically correct, all reconciling items proper and the reconciled balances equaled the activity account ledger. Beginning and ending balances were traced to prior and subsequent year balances to verify proper cutoffs and that transactions were recorded in the proper period and that balances were carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested. The beginning bank balance was \$55,293, and the balance at June 30, 2000, was \$52,538, resulting in a net decrease of \$2,657.

Cash disbursements - Items examined were properly approved, documented and recorded in the accounts of the school in compliance with school board policy. Requisitions, purchase orders and invoices were signed by the principal for all of the items tested. The records were neat and orderly thus allowing the verification process to be accomplished in an efficient manner. Mt. Hermon School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Our examination indicates that deposits are made daily and intact. Procedures for safeguarding and accounting for cash receipts are excellent. Receipts are balanced with the daily recap and properly recorded in the activity account ledger. Deposit tickets were complete and agreed with the daily report. Athletic ticket reconciliation forms were complete and properly accounted for, for each sporting event. All receipts from athletic events were deposited in a timely manner. Other revenue areas such as, school pictures, book orders, drivers education and other miscellaneous areas appear to be properly accounted for also. From the evidence examined, Mt. Hermon School appears to be in compliance with school board policies regarding cash receipts.

Concessions and other fund raisers - Mt. Hermon School operated its concessions under a "full service" contract for the year ended June 30, 2000. The School received commission checks from the drink and snack machine companies throughout the year. These commissions totaled \$4,089.87. We calculated the gross profit percentage for the school's athletic concession operations for the school year to be 70% for Baseball and Future Farmers of America concession booth at the Washington Parish Fair Rodeo) and 40% for Basketball. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Fixed asset inventory - We examined a sample of items from the property inventory list for its physical existence on school property and for the appropriate identification marks. We were able to easily locate 94 percent of the 235 randomly selected items. The 5 percent (14 items) that we did not find were later located, by school personnel, to be discarded or in a different room. Proper documentation showing room change was submitted, but was not reflected on the inventory listing. Each of the 14 items were properly identified. We also chose a sample of items on the school premises and traced them to the fixed asset inventory list to verify their inclusion. Each item chosen was found on the list, but not all were found in their designated rooms. The reason some items were located in different rooms than specified is due to a new addition to the school. Items purchased from school's activity account were found on the property inventory list, but had not been tagged at the time of examination. Some of the tags on older items had fallen off and no permanent markings were found. Alternate methods were used to identify those items. In, Harmon School has maintained the property inventory list within a reasonable order as prescribed by school board policy.

Prior examination report findings - Our prior examination was for the year ended June 30, 1996. Our report of findings regarding cash disbursements were as follows: 1) invoices need to be signed by the principal and 2) purchase order procedures need to follow proper order, have both been resolved. Our finding regarding cash receipts and the daily deposit of funds has also been resolved.

VARNADO ELEMENTARY SCHOOL

Bank Reconciliation - Each month tested was mathematically correct, all reconciling items proper and the reconciled balances equaled the activity account ledger. Beginning and ending balances were traced to prior and subsequent year balances to verify proper cutoffs and that transactions were recorded in the proper period and that balances were carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested. The beginning bank balance was \$7,132, and the balance at June 30, 2000 was \$6,262, resulting in a net decrease of \$870.

Cash disbursements - Items examined were properly approved, documented and recorded in the accounts of the school in compliance with school board policy. Requisitions, purchase orders and invoices were signed by the principal for all of

the items tested. The records were neat and orderly thus allowing the verification process to be accomplished in an efficient manner. Varnado Elementary School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Our examination indicates that deposits are made daily and intact. Procedures for safeguarding and accounting for cash receipts have been easily improved. Receipts were existent for all collections, properly recorded in the activity ledger and deposited per bank. To more completely document cash receipts, a copy of the daily recap sheet and deposit slip should be attached to the days' receipts. From the evidence examined, Varnado Elementary School appears to be in compliance with school board policies regarding cash receipts.

Concessions and other fund raising - Varnado Elementary School operated its concessions and netted a 37.81% gross profit for the year ended June 30, 2000. This resulted in a profit of \$5,275. to the School. We calculated the gross profit percentage for the school's fund raising to be 45.58%, netting \$2,795. to the school. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Fixed asset inventory - Fixed assets were randomly selected from the inventory list, and from the school's premises. Sixty-two (62) items were chosen, as the sample. We found 89% (24) of the items selected from the inventory list and 86% (38) of the items selected from the school's premises. The items we were unable to locate as the first inspection were found in other rooms with the exception of 1 item which had been stolen. Of the items found, 100% had identification tags or numbers. The inventory records for Varnado Elementary School are in excellent shape. Items are listed by room, except for desk, chairs, and filing cabinets. The items tested were easy to find and the identification numbers were placed for easy recognition on the items, and all items were clearly marked. Principal Mickey Fomes maintains the inventory, and teachers are required to complete an inventory list of their room at the beginning and end of the school year. The teacher's inventory sheets do include the desk, chairs, (students and teacher), and filing cabinets, therefore, we would suggest that the fixed asset inventory reflect the same as opposed to these items being on the inventory as a separate group.

Prior year report findings - Our prior examination was for the year ended June 30, 1995. Our report of findings regarding cash disbursements was as follows: invoices need to be defaced, attached to purchase order, signed by principal

and the purpose of the purchase should be detailed on the requisition. This finding has been resolved since our previous engagement. Findings regarding cash receipts were that deposits need to be made daily, cash receipts need to document the source of funds and the bank deposit needs to be reconciled with receipts with the total documented on the recap sheet. These findings have also been resolved.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Yours truly,


DURDEN AND ALONZO, CPAs

November 9, 2000

VARNADO HIGH SCHOOL

Darden and Alingo

CERTIFIED PUBLIC ACCOUNTANTS

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WASHINGTON PARISH SCHOOL BOARD INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington Parish School Board
Franklin, LA

We have performed the procedures listed below, which were agreed upon by the Washington Parish School Board and Superintendent. These procedures were performed solely to assist the school board management with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory at Vainado High School. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We examined the records for the schools activity accounts. Three months of bank reconciliations were tested for completeness and mathematical accuracy. Disbursements were tested for proper use of requisites, purchase orders and supporting documentation in relation to the school board policies and procedures. We tested bank deposits against receipts for property, traced deposits to the bank statement for timeliness of deposit and traced them to the activity account ledger to verify proper recording. We calculated gross profit percentages on concession operations, verified ticket reconciliation forms were utilized for gate receipts and performed reasonableness test on other receipt categories where applicable. We tested inventory records to determine the physical existence of property as listed on the school's property inventory report and to determine that property at the school was included on the inventory list. We also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list.

VARNADO HIGH SCHOOL

Bank Reconciliation - Each month tested was mathematically correct, all reconciling items proper and the reconciled balances equaled the activity account ledger. Beginning and ending balances were traced to prior and

subsequent period balances to verify proper cutoffs, transactions were recorded in the proper period and balances were carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested. The beginning bank balance was \$26,187, and the balance on June 30, 2000, was \$27,281, resulting in a net increase of \$1,094.

Cash disbursements - Items examined were properly approved, documented and recorded in the accounts of the school in compliance with school board policy. Requisitions, purchase orders and invoices were signed by the principal for all of the items tested. The records were neat and orderly thus allowing the verification process to be accomplished in an efficient manner. Varnado High School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Our examination indicates that deposits are made daily and intact. Procedures for safeguarding and accounting for cash receipts are excellent. Receipts are balanced with the daily recap, properly recorded in the activity account ledger and signed by the Secretary and Faculty member responsible. Deposit tickets were complete and agreed with the daily report. Athletic ticket reconciliation forms were complete and properly accounted for, for each sporting event. All receipts from athletic events were deposited in a timely manner. Other miscellaneous receipts appear to be properly accounted for. We could not properly test Driver's Education receipts because the certificates issued to students and the teacher's grade book were not available for inspection and comparison to actual receipt records. However, from the evidence examined, Varnado High School appears to be in compliance with school board policies regarding cash receipts.

Concessions and other fund raising - Varnado High School operated its drink concessions under a "full service" contract for the year ended June 30, 2000. The School received commission checks from Coca Cola Bottling throughout the year totaling \$2,112.00. The school also operates a snack concession which netted a gross profit of 28.77%. We calculated the gross profit percentage for the school's athletic concession operations for the school year to be 48.57% for the band concession at football games and 52.96% for basketball activities. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Fixed asset inventory - Fixed assets were randomly selected from the fixed asset inventory list and from the school's premises. Eighty-two items were selected from the inventory list for our sample. We located 91% (77) of the items selected. Seventy-six of the items found were tagged or marked with identification numbers. Sixty-two items were selected from the school premises, and we located 98% (61) of these items on the fixed asset inventory list. All sixty-two items were tagged. The inventory records for Varnado High School are

in good shape, but they do need some work. Items were moved from one room to another without proper paperwork. Items removed from the school premises for repair were not on a sign-out sheet. The inventory list was broken down by room, except for the student desk and chairs. We compared the total student desk count per teacher room inventories (321) to the totals on the fixed asset inventory list (294), with this difference a correction needs to be made. We suggest desk and chairs also be broken down by room on the inventory list. Teachers are required to complete an inventory list of their room at the beginning and end of each school year. A thorough reporting needs to be done by some of the faculty. One teacher's inventory list showed only the statement "same as last year" as the inventory in his room.

Overall, Varnado High School maintains their property inventory records in an acceptable manner, in accordance with school board policy. The items tested were easy to find and the identification numbers were placed for easy recognition on the items. With some minor adjustments and corrections, the inventory would be in excellent shape.

Price examination report findings - Our price examination was for the year ended June 30, 1994. Our report of findings regarding cash disbursements were as follows: 1) invoices and purchase orders need to be signed by the principal, resolved. Our finding regarding adding asset items purchased out of school activity accounts to asset list has also been resolved.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Yours truly,


CURDEN AND ALONZO, CPAs

December 1, 2000